

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi_Misc_pt36 — LFB

➤ Record of Comm. Proceedings ... RCP

➤ **

Administration

Attached Programs

(LFB Budget Summary Document: Page 67)

LFB Summary Item for Which an Issue Paper Has Been Prepared

<u>Item #</u>	<u>Title</u>
6	National and Community Service Board -- Permanent Staff (Paper #157)
7a	Special and Executive Committees Appropriation -- Association Memberships (Paper #158)

<p>To: Joint Committee on Finance</p> <p>From: Bob Lang, Director Legislative Fiscal Bureau</p>

ISSUE

National and Community Service Board -- Permanent Staff (Administration -- Attached Programs)

[LFB Summary: Page 68, #6]

CURRENT LAW

The National and Community Service Board is responsible for providing an annual plan for the provision of national service programs in this state and for awarding grants (from federal funds received from the Corporation for National and Community Services) to persons providing national service programs in the state, with priority being given to youth corp programs. The agency has a base budget of \$293,700 FED and 4.0 project positions.

GOVERNOR

Provide a net increase of \$11,500 FED in 1997-98 and \$71,700 FED in 1998-99 and 2.0 FED permanent positions. The net funding adjustment consists of the following: (1) a reduction in supplies and services funding of \$50,000 FED annually; and (b) the provision of \$61,500 FED in 1997-98 and \$121,700 FED in 1998-99, to allow continuation of 2.0 project positions (program planning analyst and administrative officer) which will end on March 28, 1998, as permanent positions after that date and to authorize an additional position (program assistant) as a permanent position for one year (1997-98).

DISCUSSION POINTS

1. At the time it developed its original budget request, the National and Community Service Board had four, federally-funded project positions. Two of those positions, a program assistant and an administrative assistant, expired in October of 1996 and were removed as a standard budget adjustment. The remaining two project positions will expire on March 26, 1998.

2. The Governor's recommendation would provide that two of the project positions (program planning analyst and administrative officer) be converted to permanent positions and that the expired project program assistant position be reauthorized as a permanent position for one year, 1997-98.

3. The Board is federally funded and receives an annual administrative grant. Due to uncertainty regarding the amount of federal funding for the 1997-99 biennium that will be available for the administrative costs of the Board, the staffing and the supplies and services funding for the Board was adjusted to the total level (\$205,500 in 1997-98 and \$174,900 in 1998-99) that DOA currently estimates will be available.

4. One could question the rationale of authorizing a permanent position for just one year. Due to the time involved in hiring a permanent position, the position could not even be filled for all of 1997-98. A one-year project position, however, could be filled immediately in the same manner as an LTE is hired.

5. The Committee could modify the Governor's recommendation to authorize a program assistant position as a one-year project position.

6. Alternatively, the Committee could delete the proposed one-year permanent position and associated funding. Depending on the administrative funding that is finally determined to be available for the Board, the Governor can authorize additional federal funding and positions if it is subsequently determined that more federal funding than anticipated has become available. Under this alternative, \$31,000 FED in 1997-98 and 1.0 FED position (program assistant) in 1997-98 could be deleted from the bill.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendations to provide 3.0 FED permanent positions in 1997-98 and 2.0 FED permanent positions in 1998-99 and net increased funding of \$11,500 FED in 1997-98 and \$71,700 FED in 1998-99.

2. Modify the Governor's recommendation to change the one-year permanent position to a one-year project position.

3. Modify the Governor's recommendation by deleting the one-year permanent position (1997-98) and associated funding of \$31,000 FED in 1997-98.

<u>Alternative 3</u>	<u>FED</u>
1997-99 FUNDING (Change to Bill)	- \$31,000

4. Maintain current law.

<u>Alternative 4</u>	<u>FED</u>
1997-99 FUNDING (Change to Bill)	- \$83,200
1998-99 POSITIONS (Change to Bill)	- 2.00

Prepared by: Tricia Collins

MO#

Alt #2

2 JENSEN	<input checked="" type="checkbox"/>	N	A
LEHMAN, M.	<input checked="" type="checkbox"/>	N	A
HARSDORF	<input checked="" type="checkbox"/>	N	A
ALBERS	<input checked="" type="checkbox"/>	N	A
GARD	<input checked="" type="checkbox"/>	N	A
KAUFERT	<input checked="" type="checkbox"/>	N	A
LINTON	<input checked="" type="checkbox"/>	N	A
COGGS	<input checked="" type="checkbox"/>	N	A

1 BURKE	<input checked="" type="checkbox"/>	N	A
DECKER	<input checked="" type="checkbox"/>	N	A
GEORGE	<input checked="" type="checkbox"/>	N	A
JAUCH	<input checked="" type="checkbox"/>	N	A
WINEKE	<input checked="" type="checkbox"/>	N	A
SHIBILSKI	<input checked="" type="checkbox"/>	N	A
COWLES	<input checked="" type="checkbox"/>	N	A
PANZER	<input checked="" type="checkbox"/>	N	A

AYE 16 NO 0 ABS

To: Joint Committee on Finance

From: Bob Lang, Director
Legislative Fiscal Bureau

ISSUE

Special and Executive Committees Appropriation -- Association Memberships (Administration -- Attached Programs)

[LFB Summary: Page 69, #7a]

CURRENT LAW

Base level funding for the special and executive committees dues and memberships appropriation is \$186,600 GPR, of which \$159,100 was allotted to association memberships.

GOVERNOR

Provide \$32,100 GPR annually for increased costs of dues and memberships for the following committees or commissions: (a) Educational Compact Commission (\$13,300); (b) Great Lakes Compact Commission (\$8,300); (c) Great Lakes Governor's Council (\$10,000); and (d) Governor's Council of Policy Advisors (\$500). The special and executive committees appropriation is used to fund both the costs of special committees created by statute or executive order and also to pay membership dues for state membership in a number of national or regional associations.

DISCUSSION POINTS

1. From base level funds allocated for association memberships, \$7,000 annually has been utilized for payments to the Advisory Commission on Intergovernmental Relations. The Commission was created under federal law and was comprised of members from the executive and legislative branches of federal, state and local governments plus citizen members. The

Committee was created to study the structural function of the federal, state and local governments and the financial relationships of the different levels of government. The federal government has terminated the Commission's existence and therefore, payments from the state will not happen.

2. Given that the Advisory Commission on Intergovernmental Relations has been terminated, the Committee could reduce the special and executive committees appropriation by \$7,000 GPR annually.

MODIFICATION TO BILL

Modify the Governor's recommendation by reducing funding by \$7,000 GPR annually associated with dues previously paid to the Advisory Commission on Intergovernmental Relations.

<u>Modification</u>	<u>GPR</u>
1997-99 FUNDING (Change to Bill)	- \$14,000

Prepared by: Jere Bauer

MO# Modification to Bill

2 JENSEN	X	N	A
LEHMAN, M.	X	N	A
HARSDORF	X	N	A
ALBERS	X	N	A
GARD	X	N	A
KAUFERT	X	N	A
LINTON	X	N	A
COGGS	X	N	A
BURKE	X	N	A
DECKER	X	N	A
GEORGE	X	N	A
JAUCH	X	N	A
WINEKE	X	N	A
SHIBILSKI	X	N	A
COWLES	X	N	A
PANZER	X	N	A

AYE 16 NO 0 ABS

ADMINISTRATION

Attached Programs

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
1	Badger State Games
2	Claims Board -- Claims Reestimate
4	College Tuition Prepayment Program
5	Division of Hearings and Appeals
7b	Special and Executive Committees Appropriation -- Special and Executive Committees Funding Reduction
9	Tax Appeals Commission -- Filing Fee
10	Tax Appeals Commission -- Supplies and Services Reduction
11	Waste Facilities Siting Board -- IT Infrastructure Support
12	Women's Council Funding Reduction

LFB Summary Items for Introduction as Separate Legislation

<u>Item #</u>	<u>Title</u>
3	Claims Board -- Payment of Claims
8	Tax Appeals Commission -- Definition of Small Claims

ADMINISTRATION, DISTRICT ATTORNEYS AND EMPLOYE TRUST FUNDS

Granting Creditable Service under the Wisconsin Retirement System
to Certain District Attorney Employees in Milwaukee County

Motion:

Move to include statutory language to:

(1) Provide additional creditable service under the Wisconsin Retirement System (WRS) to state employees who meet all of the following criteria:

(a) They were prosecutors in the Milwaukee District Attorney's Office on December 31, 1989, and transferred to state service on January 1, 1990;

(b) They were participants in the Milwaukee County Employees' Retirement System, created by Chapter 201, Laws of 1937, but were not vested on December 31, 1989, for the purpose of qualifying for an annuity under that System;

(c) They exercised their option to become a WRS participant on January 1, 1990; and

(d) They are state employees on the general effective date of the biennial budget act.

(2) Specify that the amount of additional creditable service under the WRS granted to each state employee meeting all the above criteria shall be equal to the amount of creditable service accumulated as of December 31, 1989, under the Milwaukee County Employees' Retirement System, created by Chapter 201, Laws of 1937, for which the employee did not have vested pension rights.

(3) Require the Department of Employee Trust Funds to determine the amount of unfunded prior service liability for the WRS due to the additional creditable service granted to state employees meeting all the above criteria, and direct that the total amount of the additional unfunded prior service liability be added to the current unfunded prior service liabilities of the Department of Administration.

(4) Specify that commencing in the 1997-98 fiscal year, the Department of Administration shall annually pay to the WRS an amount equal to one-tenth of the total amount of unfunded prior service liability for all of the additional creditable service granted under this motion, plus annual interest computed at the WRS assumed rate (currently 8%).

(5) Specify that these annual payments shall be deducted from the gross annual payment amounts which otherwise would have been made to Milwaukee County for district attorney salaries and fringe benefits under s. 20.475(1)(d) of the statutes. Stipulate that these annual deductions shall continue until the unfunded prior service liability plus annual interest costs associated with the additional creditable service granted under this motion have been paid in full.

(6) Provide an additional \$50,000 GPR annually under s. 20.475(1)(d) of the statutes as one-time funding in 1997-99 and include session law language directing that this additional funding is to be provided for fringe benefits costs of state prosecutors in Milwaukee County.

(7) Finally, specify that for any state employee covered by this motion, Milwaukee County, would be prohibited from reducing the employee's salary or the employer's percentage contribution to the employee's existing fringe benefits in order to compensate the county either directly or indirectly for the reductions under (5).

Note:

Provisions of 1989 Wisconsin Act 31 made district attorneys and other state prosecutors state employees, first effective January 1, 1990, and established an appropriation under s. 20.475(1)(d) of the statutes to reimburse counties for the costs of salaries and fringe benefits payable to district attorneys and other state employees in county Offices of the District Attorney. Under 1989 Wisconsin Act 336, employees of the Milwaukee County District Attorney's office were given the option of either remaining as participants under the separate Milwaukee County Employees' Retirement System or converting to the WRS on January 1, 1990. For Milwaukee County prosecutors who had vested pension rights under the county retirement system (10 years of creditable service was required in order to be vested under the county system), current law allowed such employees full retirement benefit reciprocity, and no benefits were lost.

However, for Milwaukee County prosecutors who had not vested in the county retirement system and who elected to become participants under the WRS, Act 336 directed that the county system remit to the WRS an amount equal to the employer-required normal contributions, plus interest earned, for each nonvested employee, thereby allowing the employee to receive creditable service under the WRS. Subsequently, the Wisconsin Supreme Court in *Association of State Prosecutors v. Milwaukee* determined this provision to be an unconstitutional taking from the county retirement system and ruled it invalid.

This motion would grant WRS creditable service to current state employees who were originally nonvested county pension system employees in the Milwaukee County District Attorney's Office on December 31, 1989. ETF would be required to determine the total amount of unfunded prior service liability that would be due as a result of granting the additional WRS creditable service. This total additional liability would be added to DOA's unfunded prior service

liability amounts due the WRS and would be recovered by the state commencing in 1997-98 over a 10-year period, with interest, by applying a deduction to the amounts which would otherwise be remitted to Milwaukee County to reimburse it for the costs of state prosecutors' salaries and fringe benefits. For the 1997-99 biennium only, the motion would provide an additional \$50,000 GPR annually to reimburse Milwaukee County for state prosecutor fringe benefits costs.

ETF estimates that 40 state employees would be affected by this motion and that the total additional unfunded prior service liability would amount to approximately \$904,200. At the WRS assumed interest rate of 8%, estimated payments of \$162,800 in 1997-98 and \$155,500 in 1998-99 would be deducted from the amounts otherwise payable to Milwaukee County to reimburse the county for prosecutors' salary and fringe benefits costs. Under the motion, the County would be prohibited from offsetting the salaries and fringe benefits due the state employees covered by this motion in order to hold itself harmless from the reduced reimbursements.

[Change to Bill: \$100,000 GPR]

MO# 11614

JENSEN	Y	N	A
LEHMAN, M.	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
GARD	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

BURKE	Y	N	A
DECKER	Y	N	A
GEORGE	Y	N	A
JAUCH	Y	N	A
WINEKE	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A

AYE 10 NO 6 ABS

ADMINISTRATION

Agency Services

LFB Summary Items for Which No Issue Papers Have Been Prepared

<u>Item #</u>	<u>Title</u>
3	State Agency Services -- State Records Center Costs
4	State Facilities Development -- Convert Funding from GPR to PR
5	State Facilities Management -- Capitol Heat and Power Plant Fuel Costs
6	State Facilities Management -- Operational Costs of State Buildings
7	State Facilities Management -- Madison Parking Operations
10	State Transportation Services -- Additional Assigned Vehicles and Aircraft Equipment
11	State Transportation Services -- UW-Milwaukee Vehicle Fleet Consolidation
12	State Transportation Services -- Fuel and Maintenance Costs Increases
13	State Transportation Services -- Vehicle Replacement and Aircraft Overhaul
14	Risk Management -- Claims Payments Reestimates
16	Telecommunications Relay Service

LFB Summary Item for Introduction as Separate Legislation

Item #	Title
15	Risk Management -- Disclosure of Individual Medical Records